

# City Council Questions

## June 23, 2020 Council Meeting

### ITEM 4.4 CONTRACT FOR ADMINISTRATION OF BELOW-MARKET-RATE PROGRAM

1. Do any other companies manage the City's BMR program?

Alta Housing (formerly known as Palo Alto Housing Corp.) is the sole company contracted to manage the City's BMR program.

2. If so, what percentage of the City's BMR units does each company manage?

Alta manages all of the City's 79 BMR units.

3. How much in total does the City spend for the management of all BMR units in the City?

There are many administrative components to the BMR program and the \$115,000 BMR Agreement is the primary cost of managing the City's BMR units. There is also some cost associated with City staff time involved with BMR administration, such as facilitating regulatory agreements and coordinating with Alta Housing's staff regarding BMR policies, managing the wait lists for new and existing BMR units, implementation, monitoring, etc.

### ITEM 4.5 CONTRACTS FOR OUTSIDE BUILDING AND FIRE PLAN CHECKING, INSPECTION, AND DIGITAL IMAGING SERVICES; PLANNING CONSULTANT AND ADMINISTRATIVE PROFESSIONAL SERVICES

1. For how many years has the City retained the services of each of these consulting firms? Did the City conduct an RFP? If continued consulting services are needed, will an RFP be conducted?

#### Outside Building and Fire Plan Checking and Inspections Services:

Consultants have been used in the building and fire division for approximately 28 years, as these positions are very technical and are hard to fill and recruit for; this is a standard and usual practice in other cities, as well.

The six recommended consultants were selected for a variety of reasons beyond low cost, including that they are extremely reliable, meeting the deadlines for complex projects within our jurisdiction with due dates that are sometimes difficult. Additionally, these consultants are careful to incorporate the unique requirements of our jurisdiction, including the newly adopted Reach Codes. Although the City has occasionally used other consultants, some have not had their contracts renewed due to missed deadlines, missed code issues, and unreliable staffing, which has proven to be costly in time and money to residents and developers, and ultimately the City.

Construction is cyclical in nature and utilization of consultants for plan checking and inspection services allows the division to react to the needs of the current construction climate as it ebbs and flows. These long term consultants are required to keep up with the codes for Federal, State and County requirements, as well as, incorporating our local ordinances. They have dozens of staff on board to react to complex projects in a timely manner and in a collaborative way.

Projects in Mountain View are extremely complex and additionally have very demanding timelines in order to provide a high level of customer service. As a result, consultants with the technical background, range of services and staffing to meet the City's technical and workload demands are very few. In many cases, staff makes an assessment of the timeline and process required for such recruitments as well as the ability of the firms to meet the City's needs before making a decision on whether to move forward with RFPs. The City's process, recognizes this need and allows sole sourcing (Employment of Professional Services No: 1-6) of consultant (professional) services on the basis of demonstrated competence and qualification for the types of services rendered with the approval of the City Manager. In this case, due to COVID-19, current vacancies, and staffing workloads, an RFP was not issued.

When considering future needs, staff will conduct an RFP process if there are local consultants in the field who can meet the City's technical and workload demands.

### Planning Consultant and Administrative Professional Services

SCA has been working with the City for 28 years and has assisted building and fire with consultant staff throughout that time. We reached out to them to temporarily fill a vacant Assistant Planner and Planning Secretary position as we look to permanently fill these positions through the City recruitment process. An RFP was not conducted for this portion of the consultant contracts since the need was immediate in order to process projects on a timely basis as required by State law. The intent is to move forward with the hiring process, which was put on hold in order to expedite other critical positions in the department and the City.

## **ITEM 6.1 CITYWIDE SCHOOL STRATEGY**

1. In previous conversation with staff it was stated that any required school contributions needed to be used within 10 years and that any voluntary contributions needed to be used within 10 years as well. Based upon staff's answer to the question I sent in for the June 9 Council meeting, it sounds like that is not the case. It sounds like every five years you just have to report on use or earmarking of funds. What are the specific restrictions? What happens to the funds if they are not used within the required timeframe?

The contribution agreement between Sobrato and the school districts differs from the State mitigation fee requirements, since any voluntary contribution may be subject to specific agreement terms. The Sobrato agreement states that the money must be "expended" within 10 years of occupancy of the last residential phase of the project. If it is not, it must be refunded to the developer (or successor).

2. How much did Sobrato pay in Community Benefits for the Pear Ave. project separate from any voluntary contribution Sobrato made to the school districts?

Sobrato did not pay a separate community benefit fee in addition to the voluntary school contribution. Instead, Sobrato's community benefits included reduced rents for small businesses at 1110 La Avenida and dedication of a parcel of land that could accommodate more than the required BMR units for the project. The value of these community benefits was not quantified.

3. How much did Sobrato pay to the school district above and beyond the \$2.2 million required by the state?

Sobrato paid approximately \$9.8 million to the school district above and beyond the State required mitigation fee.

4. Staff indicates that “gatekeeper projects could identify their voluntary contributions with their Gatekeeper authorization requests” (p9, staff report). Wouldn’t this encourage the “development-by-development discussions” (p3) that staff is hoping to eliminate with this Policy?

If projects identify their voluntary contributions during Gatekeeper authorizations, it provides transparency without any discussion or deliberation needed by Council. Staff does not recommend that Council engage in any discussion of voluntary school contributions, even in consideration of Gatekeeper authorizations.

5. Can the Council Questions from the previous time this item was on our agenda be reprinted again in this week’s Council Questions?

<https://mountainview.legistar.com/View.ashx?M=AO&ID=89224&GUID=afe4267c-f870-4849-b633-f2b3f6c3aa4f&N=UmVzcG9uc2VzIHRvIENvdW5jaWwgUXVlc3Rpb25zIDIwMjAwNjA5>

**ITEM 6.2 SUBMIT TO THE VOTERS "THE MOUNTAIN VIEW HOMEOWNER, RENTER, AND TAXPAYER PROTECTION INITIATIVE" CHARTER AMENDMENT BALLOT MEASURE - NOVEMBER 3, 2020 (CONTINUED FROM JUNE 9, 2020)**

1. Did someone request that the ballot question be modified? If so, who requested the modification? Or did staff decide to modify the question on their own accord?

There was no request to make changes; rather, staff made the edits for additional clarity upon further review, while being mindful of the 75-word limit. The edits reflected in the June 23 report for this evening were anticipated to be presented to Council for consideration with the verbal presentation on June 9. When the item was continued to June 23, the updates were incorporated into the June 23 staff report in the interest of efficiency.

The following redline reflects the edits to the ballot question previously presented:

Shall the City Charter be amended to: limit rent increase protections under the Community Stabilization and Fair Rent Act (CSFRA) only to households earning 100% percent of median income or less; limit CSFRA annual fees to \$100 per unit; prohibit paying Rental Housing Committee RHC members; and suspend the CSFRA when vacancy rates equal or exceed 3% percent and enact a replacement programs during suspension including a rental registry, annual landlord fee, and nonbinding mediation program for rent increases over 7% percent and other disputes?

Staff will have the language available to present on screen should additional edits be proposed by Council at the meeting.

**ITEM 7.2 GOOGLE LANDINGS OFFICE DEVELOPMENT PROJECT**

1. When will the offsite trees be planted? Is the planting of these trees independent of whether or not Google moves forward with the office portion of this application?

The trees will begin to be planted this summer. The off-site planting aligns with Council's request at a Study Session that Google plant some of the replacement trees in an off-site location(s) prior to project construction to partially re-establish tree canopy as soon as possible

2. Is the Huff Parking Garage open to the public? Is it open 24 x 7? Can it be used, for example, by people who are attending events at Shoreline?

The Huff parking garage would not generally be open to the public; however, 55 parking spaces are allocated to customers for the retail parking spaces.

3. Section 3(a) of the Resolution approving a Heritage Tree Removal Permit indicates that the "removed trees will be replaced with approximately 906 new trees" (page 4 of the PDF). This is less than the 1,279 trees (or 953 if off-site locations are excluded) mentioned in the staff report (p10). What accounts for this discrepancy? (Condition of Approval #43 provides still a different number: "minimum of 828 new trees.")

The typical replacement ratio for Heritage tree removals is 2:1. The minimum of 828 new trees stated in Condition of Approval #43 implements this minimum Heritage tree replacement for the proposed removal of 414 Heritage trees. Google is proposing to plant a total of 1,279 trees, with 953 trees on site and 326 trees off-site. The 906 number reflected in the Resolution is a typo that will be corrected.

4. Condition of Approval #26 requires a minimum of 402 bicycle parking spaces. Why is this number so low, compared to vehicle parking? How many will be at the Landings office building, and how many at the Huff garage?

The minimum bicycle parking spaces required in Condition of Approval #26 is the minimum required by the Precise Plan. Google is proposing to exceed this minimum by providing a total of 454 long-term bicycle spaces with 418 being at the Landings Office site and 36 being at the Huff Garage site.

5. If the applicant were proposing only to build the Huff garage (with no Landings office proposal), would the project comply with the North Bayshore Precise Plan requirements? Does the Precise Plan allow for the construction of a stand-alone parking structure with 1,709 parking spaces, and would such a project require Council approval?

The Precise Plan allows for a standalone parking structure. The 1,709 parking spaces are intended to provide 1,200 parking spaces for Charleston East, 55 for the on-site retail space, and 454 spaces for the Landings office building. If the Landings office building is not built, the number of spaces would need to be reduced by 454 spaces to be compliant with the maximum parking requirements in the Precise Plan. The Precise Plan requires approval of a Master Plan for district parking (off-site parking for a building or a number of buildings) which requires review and approval by the EPC and Council.

6. Why are the SSTA Required Improvements (Condition of Approval #231) for the CRAG intersection tied entirely to the Landings office project? Is 100% of the impact created by the office project, and 0% by the Huff garage?

The majority of the parking in Huff garage replaces the parking at Shoreline Amphitheater for Charleston East. This would redirect some of the traffic away from Rengstorff Avenue to the Shoreline Gateway and would not create impacts to the CRAG intersection as a result. This is why the intersection improvements to the Shoreline/Plymouth intersection are linked to the Huff garage. The addition of the traffic from the

Landings office building creates the impacts to the CRAG intersection and the need for operational improvements at this intersection, which is why the improvements are linked to the Landings office building.

7. The separation of building permits for the Landings office and Huff garage makes it challenging to parse the Conditions of Approval. As a general rule, is it fair to say that, unless the Condition itself explicitly references the Landings office, then the Condition is required when the applicant pulls a Building Permit for either the office or the garage?

For large, multi-phase construction projects, fees and improvements are required and separated out for each building. Each condition is evaluated in order to determine, to which building the condition would apply. For example, the Net Zero Water community benefit would apply to the Landings office building. Similarly, the creek improvements would be associated with the Landings office building since they would remove a significant portion of the existing parking lot and require a lot of site regarding on the Landings site. The traffic improvements would also be associated with each building based on the impact created by the trips associated with the building.

8. How are the Housing Impact Fee, Development Impact Fee, and transportation fees partitioned between the office project and the garage? How much of each fee is paid when the building permit for the garage is pulled?

For large, multi-phase construction projects, fees are required and separated out for each building. The fees are paid with issuance of the building permit. The development impact fee for the garage building is mostly associated with the retail space since parking garages are not required to pay Housing Impact fees or development impact fees (the buildings that are associated with the parking would pay those fees). However, the construction of the Huff garage will re-route trips from Rengstorff to the Shoreline gateway and require improvements to the Shoreline/Plymouth intersection as a result.

9. Is it possible for the Huff garage to be converted into an office building that does not require Bonus FAR? (In other words, can the applicant potentially convert the garage without Council approval if the building meets the requirements for a Base FAR project?)

Future conversion of the garage would require City approval based on the precise plan requirements in effect at that time for both what are the allowed uses as well as the administrative process. Under today's precise plan requirements, the square footage of the garage exceeds the base FAR allowed for office and would require Bonus FAR approval.

10. Can staff provide an update regarding the Magical Bridge project and the funding status? My understanding is that Magical Bridge is proposing a reduced-scope project unless the funding from this community benefit is provided. Would this community benefit be provided to Magical Bridge Foundation, or is the City filling the gap and would be reimbursed using the community benefit funding?

The Magical Bridge project has been a collaborative project between the City of Mountain View and The Magical Bridge Foundation. In January 2018, the City and Magical Bridge entered into an agreement to formalize the collaboration. At the time of the agreement, the project was anticipated to cost a total of \$4.525M. Since that time, the City has allocated \$1M in Park Land Dedication Fees to go towards project costs. A Santa Clara County matching grant was received for a total of \$1.7M. The initial design has been completed and was approved by the Parks and Recreation Commission (PRC) this month. The project design

is scheduled to be reviewed by City Council in early fall with construction anticipated to begin spring 2021. The current design can be modified depending on the available funding. The current shortfall would require the design to be reduced such as reducing the number of swings or looking at less expensive alternatives to the typical equipment installed for Magical Bridge. The identified community benefit of \$900,000 would fill the existing gap of \$691,000 and provide contingency for cost escalation. Both the City and Magical Bridge are concerned that construction costs continue to escalate and cost of the project may be higher than originally estimated in 2018. In addition, the funds would allow some of the recommendations by the PRC to be added. These include a fence that better integrates into the park setting, installation of larger, more mature trees, and to identify ways to make the entrance of the park softer and more appealing. Should there be an interest by the City Council to allocate City funds to fill the gap until the community benefits are received, staff will need to receive direction to look at available funding sources and return to Council at a separate meeting. The following is a breakdown of current funding for the Magical Bridge project:

Overall Project Budget: \$4.525M

Received to Date:

City of Mountain View: \$1M initial

County of Santa Clara: \$1.7M

Fundraising to Date by Magical Bridge: \$1.134M

Current funding gap: \$691,000

11. Can the City require payment of a portion of the community benefits when the Huff garage building permit is pulled? (For example, the Magical Bridge or the Disadvantaged Communities benefit, given the urgency of need?) Isn't the Huff garage inextricably linked to the Landings office proposal?

See response to question 16.

12. Can the City impose a Condition of Approval restricting or prohibiting the use of the excess parking in the Huff garage in the event that the Landings office project is not constructed?

See response to question 5.

13. Can the City require that a portion of the garage be converted to housing if the Landings office project is not constructed?

Currently the Precise Plan does not allow residential in this part of the plan area.

14. Why is this project exempt from SB 330? Where in SB 330 does it say that a commercial project that demolishes protected residential units does not have to replace those units?

The provisions of SB330 only apply to "housing development projects" which is defined as projects that propose to construct residential units.

15. The staff report says, "The City Council adopted a Statement of Overriding Considerations in November 2017, overriding the significant unavoidable impacts to freeways disclosed in the NBPP EIR." What was the reasoning behind that?

The complete mitigation of freeway impacts is considered beyond the scope of an individual Precise Plan or development project due to the inability of any individual project or City to acquire right-of-way for

freeway widening and fully fund a major freeway mainline improvement. Freeway improvements also would require approval by VTA and Caltrans, and as such the City cannot guarantee implementation of any improvement in the freeway right-of-way.

16. Google has suggested they may not build the Landings offices due to increased remote working. How might we respond to this changing scenario? What triggers community benefits? I have heard that creek restoration cannot be done before the Landings offices. Is there a way to tie all or some other community benefits to building the Huff garage or some other leverage point?

Community benefits are associated with the Bonus FAR per the Precise Plan and are required as part of the Landings office building. The Huff garage, although it includes some of the parking associated with the project, does not include any Bonus FAR and is not subject to the community benefit requirement.

Regarding timing of the payment of community benefits, they are typically paid prior to the issuance of building permits, unless a developer voluntarily agrees to pay at an earlier time. This is usually facilitated through a Development Agreement (which we do not have in this case) or other legal agreement. Additionally, if the community benefits were agreed to be paid by the developer before building permits were issued, the City would have to be prepared to return the money if the building wasn't built. This would significantly complicate projects funded through the prepayment, since the City would have to set funds aside in reserve in case it had to be returned.

The Permanente Creek improvements are also associated with the Bonus FAR and connected to the Landings office building. Additionally, as a practical matter, a substantial amount of on-site parking for the existing office building would have to be removed and the site would have to be regraded in order to build out the creek improvements, which cannot be done at this time.

17. If the Landings offices are not built the Huff Garage may go largely unused. My understanding is that it was designed to be converted to housing, but that we currently have no requirements to do that at any given time. Is that true? Can we require that it be converted to housing if that is the case?

Approximately 70% of the parking at the Huff Garage is intended to serve the Charleston East office project. The proposed garage includes a total of 1,709 parking spaces, with 1,200 spaces for the Charleston East project, 454 spaces for the Landings project, and 55 spaces for the on-site retail areas. Google has structurally designed the garage to potentially allow future conversion to another use but the future use (e.g. commercial, residential, mixed-use, etc.) would be determined by what is allowed by the Precise Plan at that time and the conversion would require City review and approval. Currently the Precise Plan does not allow residential in this part of the plan area.

18. If North Bayshore were built out entirely at the base FAR, how much net new square feet of office space would be developed?

While this is very hard to approximate as there are a number of factors that affect build-out assumptions, staff estimates approximately 2 million square feet of office at a base FAR.

### **ITEM 7.3 ADOPTION OF FISCAL YEAR 2020-21 BUDGETS, APPROPRIATIONS LIMIT, FEE MODIFICATIONS, AND FUNDING FOR FISCAL YEAR 2020-21 CAPITAL IMPROVEMENT PROJECTS**

1. In the Draft Proposed Budget, page 2-6, the Community Profile includes this sentence: "Currently, there are 9 affordable housing projects in various stages of development, which would add 50 units to the City's affordable housing inventory." Is this correct? My apologies if this has been addressed in the Final Draft.

To clarify, there are 9 affordable housing projects in various stages of development that will produce over 850 units of affordable housing. Fifty of those units at Shorebreeze Apartments are nearing completion of construction and will be added to the City's affordable housing inventory shortly.